

September 22, 1955

STATEMENT OF HONORABLE JAMES C. DAVIS (D., Ga.), CHAIRMAN, SUBCOMMITTEE ON MANPOWER UTILIZATION AND DEPARTMENTAL PERSONNEL MANAGEMENT OF THE COMMITTEE ON POST OFFICE AND CIVIL SERVICE, HOUSE OF REPRESENTATIVES, UPON THE INITIATION OF A MANPOWER UTILIZATION STUDY THROUGHOUT THE FEDERAL GOVERNMENT.

First of all, I should like to welcome this representative group of executives from the Federal departments and agencies.

This Committee means business. The Committee intends to see to it that the number of government jobs is reduced not by only a few thousand but by several hundred thousand. I am convinced that the Federal Government can get done all of its essential tasks with two million or less employees. This number certainly is more than adequate. This means that every department and agency should be able to reduce the total number of their employees by at least 10%, some, of course, more. It is my plan to look most critically at those departments and agencies whose reports indicate they have not reached a goal of at least 10% reduction in total number of personnel.

It is imperative that we shake the Government loose from bureaucratic empire building. There is no excuse for the habit of hiring more and more employees just to make the boss look good, to enhance his prestige, and to increase his salary -- instead of doing work that is necessary to run the Government.

These and other frills in government are luxuries we cannot afford when weighed against the urgency of reducing government expenditures so that we can cut taxes. You know and I know that there are marginal government activities which, when isolated and outlined for critical analysis, will not meet the criteria of necessary functions.

Exhibit "B"

The number of Federal civilian employees has increased constantly since February of this year. It now stands near 2,400,000, not far below the Korean war peak of 2,600,000 and far above the post-world war II low of 1,943,000 in 1950. The payroll is \$10 billion a year, aside from the Government's contributions to retirement, insurance, medical service and other employee benefits, and the cost of recruitment, examinations, and related activities. It is equal to the entire 1940 budget of the Government when we had about one million employees.

It is appalling to me, and to a great many other Members of Congress, that today we have a payroll larger than the total cost of the Government in 1940. The purpose of this Committee will be to find out the reasons for the continued swollen payrolls in peacetime and to insist on corrective action.

Now it is not as though these 2,400,000 employees are building guns, constructing planes, or otherwise physically producing the materials necessary for our national defense. It is true that several hundred thousand are engaged in actual production work and in the maintenance of the instruments of defense in arsenals, navy yards, factories, and other shop facilities of the Defense Departments. But the great bulk of defense production, tens of billions of dollars worth, of necessity and in practice is being accomplished by our defense industries under contract, by private management and employees.

What, then, are these 2,400,000 employees doing? Frankly, a lot of them are duplicating the work of others or performing unnecessary tasks. To that extent, first of all, something is going to have to be changed. We are going to find out just what these employees are doing and why — in a nutshell, "is this job necessary?"

There have been many approaches to the improvement of management and efficiency within the Federal Government. Some have been made by individual departments and agencies, while others, such as the Hoover Commission studies, have been made on a government-wide basis. All, however, have taken an entirely different approach to this problem than I will propose today.

In the first place, let me point out, for example, that the majority of management engineering studies and also the studies of the Hoover Commission type, end in a beginning. By that I mean that they present far-reaching recommendations that must be carried out before any of the savings can be realized.

Many times, in carrying out these recommendations, problems that have not been foreseen, or other necessary expediciencies, prevent their adoption. Moreover, in all probability the individuals who have developed the recommendations and who, therefore, might be best qualified to advise management with respect to their implementation, have returned to private life and no longer are available.

What we want to present in our report is not a beginning, but affirmative actions that actually have been placed in effect. We want to demonstrate to the American people that we have substantially reduced the total number of positions in the Federal Government, that we have eliminated duplication and overlapping of effort as well as unnecessary positions, and that in other ways we have brought about a healthier management situation in the Federal Government.

My colleague, Congressman Robert J. Corbett of Pennsylvania, was Chairman of the Subcommittee in the last Congress and I was the Ranking

Member. While our positions are reversed now, I know that we will continue to have Mr. Corbett's vigorous support and cooperation in the present study.

In the last Congress our Committee conducted a program of analysis in the Department of Defense directed at the identification of duplicating, non-essential, or surplus positions which could be either eliminated or transferred to a function where the employees' qualifications would be better utilized. These surveys resulted in a budgetary savings of some 900 million dollars in the military departments.

Now that did not just happen. You can look back through the records of the Appropriations Committee at the beginning of the 83rd Congress and you will find that representatives of each one of the armed services stated to the Appropriations Committee that they did not believe that a "military counterpart system" or dual supervision existed in the Department of Defense. They not only expressed doubt of this, but gave no indication that they were willing to start out on a program that would ferret it out and make a change.

In order to even get the program started, we had to go in and demonstrate conclusively that it did exist, that it could and should be changed, and that they could do the same defense job with less people or increase our defense with the same number of people if we properly utilized employees already on the rolls.

A team of our investigators went in and studied 2,979 organizational entities located in 16 base or headquarter installations. Twelve and one-half per cent of these were found to contain dual positions at supervisory levels. Two hundred and thirty-two of these duplicating positions were studied in detail, of which 25 per cent were found to be entirely unjustified and another 34 per cent subject to serious question.

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Incidentally, the following year the Department of the Air Force, for one, was complimented by the House Appropriations Committee on the economies which it achieved under the Committee program.

The initial step in the Committee investigation will be to require each department and agency represented here today to conduct a complete analysis of its functions. The analysis of each function should develop basic data with respect thereto (1) precisely identifying the authority, purpose, and scope thereof, (2) the organization which has been established to carry it out, (3) the delegations and redelegations of authority related thereto, (4) the operations being performed in connection therewith, and (5) the number of employees engaged thereon and the tasks they perform. The Committee will expect a full report setting forth this information and such other data and evidence as will enable the Committee to determine the extent to which the manpower requirements of each function should be reduced.

At this meeting today I have arranged for members of the Committee staff to develop certain aspects of our approach to this problem. We want you to feel free to talk to members of the Committee staff and with any Member of the Subcommittee, and to discuss the problems of carrying out this program.

As a second phase of the Committee investigation, we are going to go into the departments and agencies ourselves and take a complete look at the operations. We propose to follow up thoroughly the reports that your departments and agencies will submit to this Committee to be sure that there has been a complete comping of the functions and a discontinuance of uneconomical manpower practices.

The net product of this investigation is not going to be a set of recommendations. It will be a report of actual savings. Our country today, for

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one of the few times within the realm of our modern world, is within striking distance of a balanced budget -- and, what is more important, its corollary, a reduction in taxes. We are going to do everything possible to bring about a balanced budget and a reduction in taxes next year. In fact, many Member of Congress, including myself, have made commitments that expenses should be pruned and taxes reduced next year.

I am confident that we are going to be successful in reducing the total number of employees in the Federal Government. Having this in mind, I believe it only fair to warn the heads of the departments and agencies through their representatives who are here that the time has come when we must call a halt to additions to the Federal payroll. We must reverse the trend of big government.